NIXON AT MILK PRODUCERS CONVENTION IN CHICAGO (1971)

"Sunset off San Clemente."

THE CRISIS

Awaiting the Next Round in Watergate

Once again Richard Nixon failed to break free of Watergate. With the release of two lengthy white papers on his dealings with milk producers and ITT, White House aides declared that the President's largely unsuccessful Operation Candor was over. Nixon, said a White House spokesman, will now turn to "dealing with the problems and issues that he feels are good for the country." Yet there is no way to simply turn the key on Watergate. Despite the fact that Congress was in recess and the President still in seclusion in California *(see following stories)*, last week three fresh developments produced a variety of new problems and worries for the White House. The three:

▶ Nixon's former Domestic Affairs Adviser John Ehrlichman met for more than an hour in Washington with Special Watergate Prosecutor Leon Jaworski. As explained later by Jaworski, the meeting was called by him to seek information from Ehrlichman. No offer of any kind to settle Ehrlichman's case in return for his testimony was made, Jaworski said, although he conceded that the possibility of an Ehrlichman guilty plea had been raised earlier in a meeting sought by one of Ehrlichman's lawyers. There will be no deal for any defendant unless he makes "a clean breast" of all he knows, the prosecutor insisted. Jaworski also indicated that he has received "a large number of White House documents and tapes," but it has been a struggle to acquire them, and there was a near impasse in December, when Jaworski considered going into court for them. The evidence from the tapes, he said, is "very significant and quite meaningful."

▶ A panel of electronics experts, which has been examining the presidential tape recording with its now celebrated 18-minute hum, will submit a report to Federal Judge John Sirica this week. It is expected to be "conclusive" and will pinpoint the cause of the mysterious sound. The report may also identify the specific tape machine in the White House on which the noise was recorded, although the experts cannot know or speculate on who may have been operating the machine at the time. The panel has already expressed doubts in its interim report (TIME, Dec. 24) that the conversation was wiped out when Rose Mary Woods, Nixon's personal secretary, mistakenly activated two switches on a recorder while transcribing the tape. Thus the report is expected to rule out the possibility that the hum resulted from the activities described by her, and will presumably declare whether the Watergate-related conversation between Nixon and Haldeman on June 20, 1972, was accidentally or deliberately erased.

▶ Another bizarre activity of Nixon's secret investigative unit, "the plumbers," was obliquely confirmed by the White House, although it provided no details. In late 1971 the plumbers apparently found that one or more military officers were secretly copying documents of the National Security Council and giving them to high Pentagon officials. The officials, or so the plumbers suspected, were especially interested in the then-secret plans of Henry Kissinger, head of the NSC, to start contacts between President Nixon and the leaders of China. The unusual spying activity apparently was discovered by the plumbers as they searched for sources of NSC leaks to Columnist Jack Anderson. At one point the plumbers even feared that the Pentagon was tapping Kissinger's phone. The entire matter, said a White House statement, is "inappropriate for public disclosure."

Erratic Handling. Shadowed by those developments, the abrupt termination of Operation Candor marked the end of another of the many phases in Nixon's erratic handling of the whole Watergate affair. The operation was begun in November in reaction to the public outcry over the firing of Special Prosecutor Archibald Cox. It started with a series of private meetings with Congressmen and Senators at which Nixon repeatedly promised "full disclosure" of all Watergate-related evidence in his possession. Despite the pledges, no summaries of tapes or other evidence were made public.

The two white papers were not backed up by the release of any tape recordings or documents that had been made at the time that Nixon took action favorable to ITT and the milk producers in separate controversial steps. Basically, the papers selectively set out previously reported facts, confirming much of what has been published, but interpreting them in Nixon's favor. The papers, in effect, asked the public to ac-

cept Nixon's word that in neither case was he motivated by the fact that ITT and the milkmen had pledged generous contributions to his political causes. While sharply denying any *quid pro quo* deals, the papers did tend to confirm that opportunities for political bribery existed. Some points also contradicted earlier statements by the President and his men on the two topics.

THE MILK DEAL. On October 26 Nixon said he had a policy of not wanting "to have any information from anybody with regard to campaign contributions." The President admitted in the white paper, however, that he had been advised by an aide that the milk producers had pledged up to $2,000,000 to his 1972 campaign well before he raised milk price supports in 1971 and restricted some dairy imports in 1970. Briefing papers prepared for his meetings with milkmen on two occasions cited this fund-raising help. But the white paper emphasized that Nixon never mentioned the donations at the meetings. The contributions, the paper claimed, "did not influence the President's decision to raise the level of supports."

The paper contended that Nixon raised the milk supports, reversing a decision by then Secretary of Agriculture Clifford Hardin, because 1) Congress was exerting "intensive pressure" to accomplish the same end; 2) the economics of the industry justified the increase and 3) the approaching election called for "traditional political considerations relating to needs of the farm states."

The paper failed to note, however, that not a single price-support bill had even reached committee consideration in Congress at the time Nixon acted. Nor did it report that Nixon's fund raisers received $10,000 from the milkmen the day before he met with them on March 23, 1971, another $25,000 the day after—and that the hike in price supports was announced the next day.

The claim that the milk donations were never mentioned at Nixon's meetings with milk officials does not seem conclusive. Sophisticated lobbyists rarely couple a donation openly with a requested favor; the money is expected to speak for itself. Yet even this contention by Nixon was challenged last week by attorneys for Ralph Nader, who is suing the Administration for basing the support hike on political grounds. The attorneys filed a brief in a Washington federal court quoting from a subpoenaed tape of Nixon's March 23 meeting, contending that it showed that the President may have been obliquely acknowledging the donation when he told the milkmen: "I must say a lot of businessmen and others I get around this table, they yammer and talk a lot but they don't do anything about it. But you do and I appreciate that. I don't need to spell it out."

THE ITT CASE. The President's paper on his intervention in antitrust suits against ITT was somewhat more persuasive. It claimed that his only direct involvement took place on April 19, 1971, while the corporation's pledge of $200,000 to support the 1972 Republican National Convention was not made until June of 1971. The paper confirmed that Nixon had called Richard Kleindienst, then Deputy Attorney General, and ordered him to forgo an appeal on one of the suits against ITT. Such a move was sought by the corporation. The paper did not, however, note Nixon's blunt language in directing Kleindienst. "You son of a bitch, can't you understand the English language?" That was Nixon's comment when Kleindienst had refused to comply with a telephoned demand by Ehrlichman that he drop the appeal.

The statement contended that Nixon was motivated by a feeling that ITT was being prosecuted just because it had grown so large, and this violated the President's antitrust philosophy of not opposing bigness per se. As early as 1968, the paper noted, Nixon had declared that his Administration intended to clarify the "unsettled case law" on conglomerates. Yet that does not explain why Nixon allowed the cases to be brought against ITT at all, why he waited so long to intervene—or why taking the case to the Supreme Court would not have been the best way to clarify the law.

Nixon later changed his mind about not appealing the case when then Solicitor General Erwin Griswold threatened to resign. Curiously, the paper did not note that Kleindienst also threatened to quit. Before the appeal was to be heard by the Supreme Court, Justice Department attorneys reached an out-of-court settlement with ITT. The paper accurately noted that the settlement required "the largest single divestiture in corporate history," but did not include the fact that ITT was allowed to keep cash-rich Hartford Fire Insurance Co., its priority aim in the controversy.

Who's in Charge There?

The guest of honor at the surprise birthday party last week tried gamely to make the affair fun for everyone. He grinned as his staff members carried in a gaily decorated white cake while singing a squeaky version of *Happy Birthday*. When he got some icing on his hands, he dutifully followed the directions called out by his wife: "Lick your fingers, Dick." He even got his Irish setter, King Timahoe, to lick off a glob of frosting that had polluted his maroon sports jacket. Pointing at the sullen skies outside, he joked to his aides: "Take the rest of the day off. Go out and enjoy the sun, the swimming."

But for all his efforts, the gritty good humor of President Nixon at his 61st birthday party was belied by his appearance. His complexion was pallid, and he looked haggard and weary. Clearly, the two weeks already spent in San Clemente had not, as hoped, begun to refresh his spirits or restore his vigor. The evidence of the President's weariness came as a particular jolt to some of his staffers: they literally had not seen him since his arrival.

The President has always preferred to work in seclusion, a fact that his defenders have used to try to separate him from Watergate. But in recent months, as the scandal has howled round the White House, Nixon has been isolating himself more and more. Secretary of State Henry Kissinger flew out to spend four days in San Clemente; despite their close association, he saw the President only twice. Roy Ash, director of the

NIXON, TRICIA & PAT WITH CAKE

DIRCK HALSTEAD

NIXON'S DOG LICKING OFF ICING

White House's Office of Management and Budget, went out for one weekend to talk over the budget for the next fiscal year and never did get to see the boss. Indeed, Ash has met with the President only three times to discuss final decisions on the budget, which will chart the course of the Government. Only Energy Czar William Simon has been in frequent touch with Nixon lately *(see cover story page 22)*.

The White House staff will soon be weakened by the departure of the only two seasoned political aides that Nixon has. Melvin Laird will be leaving at the end of this month, and Bryce Harlow has said he will not be far behind. Both Laird and Harlow were persuaded to join the White House after H.R. Haldeman and John Ehrlichman, Nixon's two top aides, resigned last April over Watergate. But for all their experience and prestige, Laird and Harlow found that they had relatively little influence with the President. A member of the House of Representatives for 16 years before becoming the President's first Secretary of Defense, Laird worked as Nixon's Kissinger-on-the-Hill to negotiate key issues with Congress. Harlow, himself an expert on congressional relations, was mainly occupied by the President's halfhearted and now defunct Operation Candor.

There are others who would like to leave too. Bill Timmons, 43, official liaison with Congress for the White House, has reluctantly agreed to stay on for another year; to quit now, he fears, would be interpreted as an act of disloyalty to his boss. Chief Speechwriter Ray Price, 43, has been thinking about leaving, but will stay on for the present.

Demanding Boss. The hope among White House staffers is that Vice President Gerald Ford will perform Laird's role as a top-level troubleshooter while also influencing domestic policy. But to accomplish this, Ford will have to become a commanding figure in his own right, something no Vice President in history has been able to do. Says one key White House assistant: "Let's wait six weeks and see how it works."

During the siege of Watergate, the man whom the President has relied upon to keep the demoralized White House staff running has been Alexander Haig. Kissinger, one of the most demanding of bosses, was so impressed with Haig's dedication and mind that he took him on as his deputy. When Haldeman left the White House, Haig, 49, resigned as a four-star general to become Nixon's chief of staff.

Although a demon worker, Haig does not crack the same whip that Haldeman did, and he does not have Haldeman's intimacy with Nixon. The President has come to rely most heavily for advice upon Press Secretary Ron Ziegler, the man who lost his standing with newsmen by repeatedly "misspeaking" the facts about Watergate. Ziegler's rise has baffled most of Nixon's senior aides and horrified Senator Barry Goldwater, who told the *Christian Science Monitor* last month: "I just can't believe that he would listen to Ziegler. That in my opinion would be something disastrous. Nothing personal, but Ziegler doesn't understand politics."

DIRCK HALSTEAD

DOMESTIC COUNCIL DIRECTOR KEN COLE

Ziegler's background is in advertising; he worked for Haldeman at the J. Walter Thompson office in Los Angeles, where Disneyland was one of his accounts. Hired, trained and brought into the White House by Haldeman, Ziegler still consults his former boss on the President's problems. Ziegler is the one remaining adviser who goes back to the old days with Nixon: he worked on the losing 1962 gubernatorial campaign in California. The President, who values loyalty above all other qualities, obviously feels at ease with him.

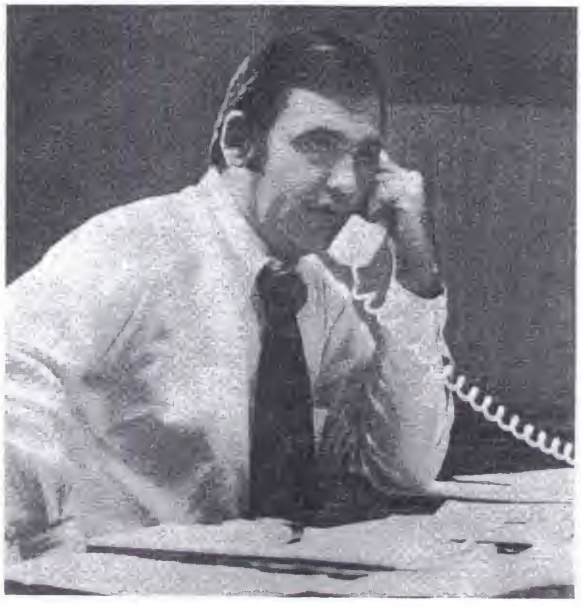
Ziegler is not only Nixon's window on the world, he is the aide more responsible than anyone—Laird, Harlow or any of the lawyers—for shaping the President's Watergate policy. Ziegler is a hardliner, urging the President to keep his cooperation and disclosures to the barest minimum as he deals with his adversaries in the courts and Congress. The release last week of the President's incomplete and undocumented statements on the milk fund and ITT was planned by Ziegler.

In the months ahead, Ziegler is expected to continue as Nixon's top personal adviser. The question remains of who will do the long, slogging hours of leg- and brainwork to develop White House policy on the whole galaxy of domestic problems, from national health insurance to welfare reform. That job had been done by John Ehrlichman, who directed the Domestic Council. Under him, the council boasted a staff of 75 and played an important role in shaping Nixon's domestic programs during the first term. Now the council is down to 26 staffers, and its influence has declined proportionately.

The present director is Kenneth R.

MANAGEMENT & BUDGET DIRECTOR ROY ASH

CHIEF OF STAFF ALEXANDER HAIG



PRESS SECRETARY RON ZIEGLER

Cole Jr., 35, who this week is being promoted to Assistant to the President, the title that Ehrlichman once had. Although an earnest and competent aide, Cole has little of his predecessor's bulldog force of personality or, more important, his influence with the President.

Aides who have been studying the murky and shifting power game in the White House expect that Cole's territory will be infiltrated by Roy Ash and his Office of Management and Budget, which has a staff of 428 economists, lawyers and planners. Ash already has an office near the President's in the small West Wing of the White House; Cole is determined to get one.

Ash also has a valuable asset in Fred Malek, his deputy. A power in the White House on his own, Malek is an experienced, savvy and tough operator. For three years Malek was Haldeman's agent—some would say hatchet man—assigned to straightening out messy situations in the Executive departments. After the 1972 election, Malek helped to revamp the Nixon Administration, and now has the prime staff responsibility for pulling together the new budget. While conceding that the OMB is basically stronger than the Domestic Council, Malek says: "It's not in the President's interest to overrun them. We try to work with them as a team."

Little Contact. The outcome of any power struggle between Cole and Ash will depend upon who has most access to the Oval Office. And President Nixon has shown that he wants very little contact with his aides, except Haig and Ziegler. Working on the budget at San Clemente, Nixon asked Haig to put a call through to Ash one day. The discussion lasted for nearly an hour. Afterward, the *Wall Street Journal* asked Ash if he had actually talked to the President.

"Well," Ash replied, "he and Al [Haig] had just talked, and then Al had talked to me, Al talked to him, Al talked to me again. So Al was working with him on subject matter, and I was talking to Al . . . In fact, I talked to Al, I guess, three times, interspersed between . . . where he was talking to the President on the issues." Why had not the President simply talked to Ash directly? "Maybe it's less convenient to him than talking to Al," suggested Ash. "But certainly he was part of the discussion."

With the President governing by remote control, the strong men in the Administration are bound to have more freedom to act on their own: Kissinger, Simon, Defense Secretary James Schlesinger and Treasury Secretary George Shultz, who has the top responsibility for the economy. Ironically, this diffusion of power is just what the President's critics wanted when they were protesting that a highly centralized White House staff was exerting too much influence in the affairs of the departments. But that was long ago, long before the eruption of Watergate changed everything for Richard Nixon.

Moving Toward Decision Time

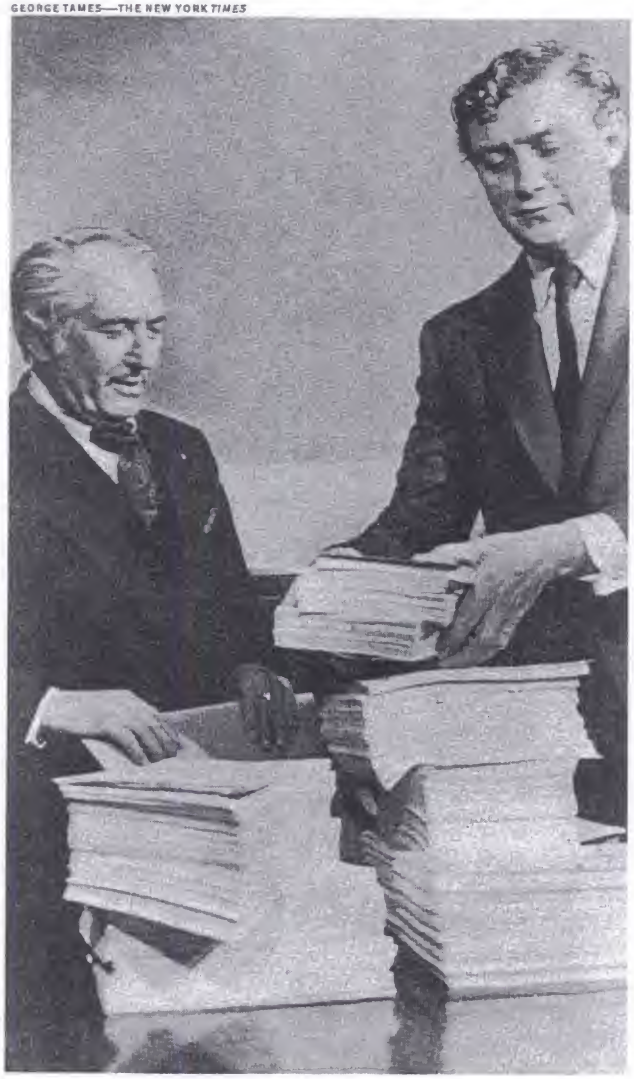
"We've arrived at the hard core," said a staff member of the Senate Watergate Committee as he looked forward to the return of Congress next week after the extended Christmas recess. With the Senate investigation of Watergate nearly completed, Congress is finally facing the crucial question: to impeach or not to impeach Richard Nixon. Last week, while most of their congressional bosses were vacationing and sampling public opinion, staffers of the House Judiciary Committee and the Senate Watergate Committee were compiling evidence that will eventually supply the answer to the question.

All week there was uncharacteristic bustle at the former Congressional Hotel on New Jersey Avenue, now an annex to the House office building complex. There John Doar, chief counsel of the Judiciary Committee, and his staff of 40 were setting up shop. Telephones were installed, reams of paper piled up, most of it transcripts and computer printouts from the Ervin committee. But there were also ample contributions from other congressional committees that have been investigating aspects of Watergate. By week's end all that was missing was a paper shredder, an item requested, but vetoed by the House Administration Committee on the ground that paper shredders had already figured too prominently in the Watergate scandal.

Sifting and evaluating all the material will be an eye-wrenching task. Says Frances O'Brien, administrative assistant to Peter Rodino, Judiciary Committee chairman: "We have to take everything that has been given to us, break it down into areas, decide what we have, what it means, whether more is needed, and how we should go about getting any more." One area of documentation is off limits to the committee. Though Doar has had two amiable meetings with Special Prosecutor Leon Jaworski, he has not been able to obtain any information. All pertinent White House material received by Jaworski is to be turned over to the grand jury. From that point, it is in the hands of the court and is not available to the House or Senate committees.

Appointments to top staff positions have been made. As minority counsel the Republicans chose Albert Jenner, 66, a prominent G.O.P. attorney in Chicago who served as assistant counsel for the Warren Commission investigation of John Kennedy's assassination. He may provide scant partisan comfort to Nixon. In a TV interview, he said that "certainly within some areas the President should be responsible for the actions of aides," even if he did not know what the aide was doing.

GEORGE TAMES—THE NEW YORK *TIMES*



PETER RODINO & JOHN DOAR
No shredder.

With no firm deadline but with pressure from Republicans and some Democrats to make haste, Doar expects to issue an interim report by late February. The report must first of all define what are impeachable offenses within the Constitution's "high crimes and misdemeanors" rubric; then it must determine whether the President might be guilty of any of the offenses. Once the report is presented, the Judiciary Committee has to decide whether to proceed further with an impeachment in-